

CHAPTER 6

ARCHITECT-ENGINEER SUPPORT SERVICES

6-1. Types of Services.

a. Types of Architect-Engineer Contracts. A district can provide a variety of architect-engineer (A-E) support services to an installation. Title 10 U.S.C. 4540 provides the authority for utilization of A-E services by the Secretary of the Army. 10 U.S.C. 2304 (a)(4) authorizes negotiation for professional services. A statutory limit of six percent for architectural- engineering services (primary services only) relating to public works or utility projects was established by 10 U.S.C. 2306d, as implemented by DoD FAR Supplement 36-606. Some of the various types of A-E contracts are described as follows:

(1) Fixed-Price Type Contract (FAR 16.201). A firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This type of contract places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties.

(2) Cost-Reimbursement Type Contract (FAR 16.301-1 & 2). This type of contract provides for payment of allowable incurred costs to the extent prescribed in the contract. These contracts establish an estimate of total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at its own risk) without the approval of the contracting officer. Cost-reimbursable contracts are suitable for use only when uncertainties involved in contract performance do not permit costs to be established with sufficient accuracy to use any type of fixed-price contract.

(3) Letter Contracts (FAR 16.603). A letter contract is a written preliminary contractual instrument that authorizes an A-E to begin work immediately. Final terms of the contract must ordinarily be definitized within 180 calendar days after contract award. The negotiated agreement is then awarded as a modification to the letter contract, and is referred to as contract definitization.

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The letter contract stipulates a not-to-exceed amount, and limits the amount that may be expended before definitization to no more than 40% of this amount. The not-to-exceed amount is determined by developing a Government cost estimate. The terms of the letter contract also limit the maximum liability of the Government in case of termination to 50% of the not-to-exceed amount. A letter contract may only be used when both of the following conditions are met:

(a) the negotiation of a definitive or defined scope of work and price is not possible in sufficient time to meet the Governments requirements, and

(b) the Governments interests demand that the A-E be given a binding commitment so contract performance can begin immediately.

Advance authority to utilize a letter contract must be obtained from HQUSACE. A request for authority to award a letter contract, in any amount, must include complete justification (except certain emergency/disaster situations), and shall be staffed through technical and legal elements, and submitted to HQUSACE through contracting channels. It is also important to note that the scope of work of a letter contract may not be modified after work has begun, without HQUSACE approval.

(4) Indefinite Delivery Contracts (AFARS 36.602). This type of contract is the primary means through which a district can support an installation. This type of contract is used when there is recurring demand for an item, but the timing and/or extent of the demand are not certain. The contract establishes all terms that are sure; however, orders are not placed until the need arises. Since this type of contract is such an important asset to an installation support program, an explanation of the selection, award and administration process is included in this section. And, since the contract can be administered by either the district or the installation, procedures for each method are addressed.

b. The Selection and Award of an Indefinite Delivery Contract (with contract administration by the installation).

(1) The installation engineer formally requests that the district obtain an indefinite delivery contract for accomplishing architect-engineer services. The requesting letter details the type of service required: civil, electrical, mechanical, structural, architectural, environmental, life safety, sanitary, or a combination thereof.

The letter must also state who the proposed COR/ACOR will be. Funds to cover district costs for preparation, negotiation and award of the basic contract must also be provided with the initial request. In most cases the district has established a flat rate fee for this acquisition service.

(2) Upon receipt of an installations request, the district develops a synopsis for publication in the Commerce Business Daily (CBD). The synopsis appears in the CBD for one day and must allow at least 30 calendar days for interested A-E firms to submit a Standard Form 255 depicting their qualifications, experience and desire to be considered for the contract.

(3) The district will then invite the installation to nominate two individuals for appointment to the pre-selection and selection boards. Two individuals are necessary since the same person cannot serve on both boards.

(4) When the 30-day period has expired the district will convene a pre-selection board to review all SF 255's and other information available on the firms who responded to the synopsis. This board will disqualify or eliminate firms not meeting the minimum qualifications needed or contract requirements specified in the CBD.

(5) The selection board will further evaluate the firms recommended by the pre-selection board and will rank the top firms for a negotiating order.

(6) Negotiate with the A-E or A-E's in the approved order of the selection board's preference to establish direct salary rates, general and administrative (G&A) overhead and overhead on direct labor that the firm intends to utilize throughout the life of the contract.

(7) The contract includes a provision that the Government obligates itself for no less than \$2,500 during the life of the contract, therefore the installation must ensure such funds are available at the district prior to the anticipated award date.

(8) If negotiations are successful and the minimum \$2,500 is on hand the indefinite delivery contract may be awarded.

(9) Upon award, the Contracting Officer signs a letter designating the installation engineer, the Deputy or Chief, Engineering Plans and Services Division as the contracting officer's representative (COR) for the contract.

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Contracting officer authority is retained by the district however, administrative contracting authority can be transferred to the installation Directorate of Contracting. A copy of the contract and record of negotiations is furnished the COR, and procedures are established for processing and executing delivery orders.

(10) In accordance with ER 715-1-15, steps 1 through 8 above will be accomplished in approximately 109 calendar days for a standard indefinite delivery contract without an option year.

c. Selection and Award of an Indefinite Delivery Contract (with contract administration by the district). The procedures are the same except that:

(1) The letter authorizing the selection is generated within the district based upon anticipated or known requirements which will be requested of the district.

(2) Inviting installation representatives to participate on the selecting boards may be more complex if the A-E is to be utilized at a number of installations.

(3) The \$2,500 necessary for contract award may not be available until an actual request for support is received from a supported installation.

(4) COR responsibilities are retained at the district.

d. Administration of Delivery Orders. Basic procedures are as follows:

(1) When a need arises the COR or a project manager contacts the A-E after determination is made that the service can be accomplished by delivery order. A meeting is scheduled, at the project site, to clarify or establish a statement of work. This meeting should be attended by the project manager, the using agency or units, the installation representative and someone from the area/resident engineer office.

(2) Design criteria are furnished to the A-E, including user-generated requirements. The most important thing to be provided at this time is a complete project scope of work and the description of A-E services to be performed.

(3) A detailed record is made of the pre-design conference. The A-E either prepares or signs this record indicating that the scope of the proposed contract is understood and necessary design criteria have been received.

(4) A Government cost estimate is prepared in preparation for price negotiations between the district and the A-E. The Government estimate is prepared using the detailed analysis method. A profit of between 7% and 15% is allowed the A-E as part of the estimate. Primary design costs are limited by law to 6% or less of the estimated project cost.

(5) The A-E is requested to submit a proposal and negotiations are conducted between the Government and the A-E in accordance with district procedures.

(6) Pre-negotiation and post-negotiation Business Clearance Memoranda (BCM) are required for contracts over \$100,000 and sometimes utilized for individual delivery orders. Together, they incorporate a record of the decisions, actions, and approvals that are involved in a negotiated procurement action.

(7) When negotiations have been successfully concluded and all necessary documents have been signed, a delivery order is prepared at the district and signed by the A-E and then the contracting officer. When the fully executed contract is transmitted to the A-E, a notice to proceed with the work is given.

6-2. Regulatory and Statutory Guidelines.

a. Public Law 92-582, 92nd Congress, H.R. 12807, 27 Oct 72, The Brooks Bill.

b. Public Law 87-653, Truth in Negotiation Act, as modified by Public Law 98-369, The Competition in Contracting Act of 1984.

c. Federal Acquisition Regulations (FAR) 6.303-2, 14.208, 14.209, 15.804, 15.805, 15.808, 16.403-2, 16.2, 16.202, 16.603, 16.702, 16.703, 31.105, 31.2, 31.205-46, 36.605, 43.101, 43.103, 52.214, 52.236-23, 52.243, 53.246, 53.301-308, 5.3.

d. DoD Federal Acquisition Regulation Supplements (DFARS) 15.902, 16.101, 36.601, 36.602, 36.604, 36.605, 36.606.

e. Army Federal Acquisition Regulation Supplement (AFARS) 36.602-90.

f. Engineer Federal Acquisition Regulation Supplement (EFARS) 36.602-2, 36.602-90.

g. ER 715-1-10, A-E Responsibility Management Program.

h. ER 715-1-15, Time Standards for the Architect-Engineer Acquisition Process, 15 February 1991.

6-3. Who Provides These Services.

For architect-engineer services, the Installation Support Coordinator will forward the installations request to either the Contracting Division or to the A-E Contract Support or Engineer Support Section of the Engineering or Programs and Project Management Division. In all cases, the Installation Support Coordinator will receive, coordinate and monitor the installations request.

6-4. How To Obtain These Services.

Use an Installation Support Request Form, or formal letter to the district Installation Support Coordinator to initiate a request for service. The installation should be prepared to supply the following:

a. A letter or Installation Support Request Form prepared in general accordance with the sample format (Figure 6-1) at the last page of this chapter which gives a narrative summary of what professional services and qualifications are required. Typical or standard selection factors are as follows:

(1) Professional qualifications necessary for satisfactory performance of required services.

(2) Specialized experience and technical competence in the type of work required.

(3) Capacity to accomplish the work in the required time.

(4) Past performance on contracts with Government agencies in terms of cost control, quality of work and compliance with performance schedules.

(5) Location in the general geographic area of the project and knowledge of the locality.

(6) Volume of work previously awarded to the firm by DoD.

b. Who the installation desires to serve as COR and a statement of their qualifications, if not previously furnished.

c. Whether the installation engineer wishes to participate on the pre-selection and selection boards, and if so, who the representatives will be.

d. Document transmitting funds to the district office.

6-5. Typical Funding and Time to Accomplish the Service.

a. Funding. Funding is required for each of the three phases of the indefinite delivery contract cycle. The three phases are: the selection process, contract award, and processing and award of individual delivery orders. Funding required at each phase is as follows:

(1) The selection process. When an installation requests that a district select an indefinite delivery contract for exclusive use by an installation, the district charges a fee to cover all costs associated with the selection process. This fee funds all activities from receipt of the installation's request, to contract award. This fee typically ranges from \$4,000 to \$6,000.

(2) Contract award. Once the selection process is complete and approved for award, \$2,500 is required to obligate/award the basic contract. These funds cover the Government commitment that the selected A-E will receive, as a minimum, \$2,500 throughout the life of the contract. The installation normally provides these funds by a DA Form 2544 or a MIPR.

(3) Processing and award of individual delivery orders. The district also charges a fee to process/award each individual delivery order. This fee varies significantly from district to district depending upon the degree of assistance/support requested by the installation. District assistance can be simply staffing a delivery order (negotiated, packaged and funded by the installation) to the district Contracting Officer for signature. In some cases districts assist in project scope development and/or negotiations, and prepare delivery order packages for staffing and award. Therefore, this processing/award fee may range from \$200 to \$1,500 per delivery order.

b. Time. Selection time for a single year, \$400,000 maximum fee indefinite delivery order contract averages four months. Selections with unique requirements, or those requiring an audit, will take more time. Detailed timelines for indefinite delivery and other contract types are contained in ER 715-1-15.

6-6. Examples of Architect-Engineer Support Services.

Table 6-1 defines the activities and time standards for the A-E selection process. A sample of how an installation would request architect-engineer support/selection is depicted in Figure 6-1.

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Table 6-1. Maximum Acceptable Time Standards for Indefinite Delivery A-E Contracts.

Activity	Contract Cost					
	\$500,000 or less			Greater than \$500,000		
	DUR (a)	ES (b)	LF (c)	DUR (a)	ES (b)	LF (c)
1. Project Initiation	0	1	1	0	1	1
2. Project Scope	0	1	1	0	1	1
3. Criteria Development	2	1	60	2	1	74
4. Acquisition Plan (d)	0	1	1	0	1	1
5. Synopsis	10	1	10	10	1	10
6. CBD Announcement	30	11	40	30	11	40
7. Pre-selection	10	41	50	10	41	50
8. Selection	10	51	60	12	51	62
9. Higher Authority Selection Approval	0	60	60	12	63	74
10. Security Clearance	0	60	60	0	74	74
11. A-E Selection Notification	5	61	65	5	75	79
12. Criteria Review by A-E	0	65	65	0	79	79
13. Pre-proposal Conference	0	65	65	0	79	79
14. Revised Scope of Work and Project Schedule	0	65	65	0	79	79
15. Government Estimate	5	66	79	10	80	89
16. A-E Proposal	14	66	79	14	80	93
17. Technical Analysis (e)	2	80	81	2	94	133
18. Audit	0	79	79	45	94	138
19. Pre-negotiation Analysis (e)	2	82	83	5	139	143
20. Pre-BCM Review & Approval (e)	4	84	87	6	144	149
21. Negotiation	7	88	94	8	150	157
22. Funds Certification	2	95	104	2	158	167
23. Negotiation Documentation	5	95	99	5	158	162
24. Post-BCM Review & Approval (e)	5	100	104	5	163	167
25. Final Contract Preparation	9	95	104	9	158	167
26. Award Authorization	0	104	104	0	167	167
27. Contract Award	5	105	109	5	168	172

Notes:

- a. Maximum activity duration (DUR) in calendar days.
- b. Early Start (ES).
- c. Late Finish (LF).
- d. An acquisition plan is required only for contracts with an estimated cost of \$5 million or more per annum, or a total contract value of \$15 million or more.
- e. This activity is required only for contracts with an estimated contractual cost exceeding \$100,000.
- f. This table was extracted from ER 715-1-15.

INSTALLATION SUPPORT REQUEST								
INSTALLATION:	Fort Vernon	PROJECT NUMBER: VHS-1975						
PROJECT TITLE: Indefinite Delivery Contract Selection								
TYPE OF WORK: <input type="checkbox"/> PLANNING <input type="checkbox"/> ENVIRONMENTAL <input type="checkbox"/> STUDY <input type="checkbox"/> DESIGN <input type="checkbox"/> CONSTR MGMT <input type="checkbox"/> REAL ESTATE <input checked="" type="checkbox"/> A-E CONTRACT SELECTION <input type="checkbox"/> OTHER								
CURRENT WORKING ESTIMATE: n / a								
BASIS OF ESTIMATE: DATE PREPARED:								
DESCRIPTION OF WORK/SERVICE REQUIRED: PLEASE BE SPECIFIC ! Selection of an A-E Indefinite Delivery Contract to be administered by this DEH. A-E should have prime capabilities in Civil Engineering and Surveying since the majority of the anticipated work will be paving repair, drainage, parking and hardstand repair, and some new rigid/flexible pavement design. Mech, Elec, Arch and Environmental are also desired from the prime A-E or subcontract. Use of standard CBD qualification/selection factors is acceptable (no special requirements). SPECIAL CRITERIA/DESIGN REQUIREMENTS: Request COR authority for Mr. Maroon (Ch, EPSD) and Ms. White (Ch, ESB). COR qualification statements are attached.								
PROJECT AUTHORIZATION: DD 1391 DA 4283 <input checked="" type="checkbox"/> OTHER								
CONSTRUCTION AGENT: DISTRICT <input checked="" type="checkbox"/> INSTALLATION								
CRITICAL NEED DATES: SERVICE COMPLETE: 1 AUG 91 DESIGN START: COMPLETE: CONSTRUCTION CONTRACT AWARD: COMPLETE: CONSTRUCTION START: COMPLETE:								
AVAILABILITY OF AS-BUILT DRAWINGS: N / A								
AMOUNT OF START-UP DESIGN FUNDS ATTACHED: \$5,000.00								
INSTALLATION PROJECT MANAGER: S. R. NEDRAEB								
TELEPHONE: (COM'L) (202) 405-5084 (AV) 582-5084								
FACSIMILE: (202) 405-3672 OFFICE SYMBOL: LION-DEH-Z								
INSTALLATION ENGINEER OR AUTHORIZED REPRESENTATIVE <table> <tr> <td>SIGNATURE</td> <td>TITLE</td> <td>DATE</td> </tr> <tr> <td>COL Joe Wilbarger</td> <td>DEH</td> <td>12 Mar 91</td> </tr> </table>			SIGNATURE	TITLE	DATE	COL Joe Wilbarger	DEH	12 Mar 91
SIGNATURE	TITLE	DATE						
COL Joe Wilbarger	DEH	12 Mar 91						

Figure 6-1. SAMPLE FORMAT-INSTALLATION SUPPORT REQUEST INVOLVING A-E CONTRACT SUPPORT